

INSURANCE

Budget Summary						FTE Position Summary				
Fund	2014-15 Adjusted Base	Request		2015-17 Change Over Base Year Doubled		2014-15	Request		2016-17 Over 2014-15	
		2015-16	2016-17	Amount	%		2015-16	2016-17	Number	%
FED	\$399,200	\$244,600	\$0	- \$553,800	- 69.4%	8.30	8.30	8.30	0.00	0.0%
PR	17,724,600	18,597,600	18,627,500	1,775,900	5.0	132.25	132.25	132.25	0.00	0.0
SEG	90,777,400	97,739,700	101,680,800	17,865,700	9.8	12.75	12.75	12.75	0.00	0.0
TOTAL	\$108,901,200	\$116,581,900	\$120,308,300	\$19,087,800	8.8%	153.30	153.30	153.30	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$856,600 PR, \$476,100 FED, and \$36,000 SEG in 2015-16 and \$886,500 PR, \$476,100 FED, and \$37,300 SEG in 2016-17 to reflect the following standard budget adjustments: (a) -\$244,200 PR annually for turnover reduction; (b) \$961,400 PR, \$476,100 FED, and \$33,600 SEG annually for full funding of continuing position salaries and fringe benefits; and (c) \$139,400 PR and \$2,400 SEG in 2015-16 and \$169,300 PR and \$3,700 SEG in 2016-17 for full funding of lease and directed move costs.

PR	\$1,743,100
FED	952,200
SEG	73,300
Total	\$2,768,600

2. LOCAL GOVERNMENT PROPERTY INSURANCE FUND CLAIMS REESTIMATE

Request \$6,272,300 in 2015-16 and \$9,901,500 in 2016-17 to reflect a reestimate of claims OCI will pay from the local government and property insurance fund during the 2015-17 biennium. The fund provides property insurance to local governments, and is supported by premiums paid by those policyholders and earnings on fund investments. With the requested increases, total claim payments would be estimated at \$35,932,500 in 2015-16 and \$39,561,700 in 2016-17.

SEG	\$16,173,800
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3. STATE LIFE INSURANCE FUND CLAIMS REESTIMATE

Request \$654,000 in 2015-16 and \$964,600 in 2016-17 to reflect a reestimate of claims OCI will pay from the state life insurance fund during the 2015-17 biennium. The fund provides life insurance policies for participating state residents, with a maximum value of \$10,000, and is supported by premiums paid by policyholders and earnings on fund investments. With the

SEG	\$1,618,600
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requested increases, total claim payments would be estimated at \$4,182,400 in 2015-16 and \$4,493,000 in 2016-17.

4. FEDERAL FUND REESTIMATE FOR RATE REVIEW

FED	- \$1,506,000
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Request a reduction of \$630,700 in 2015-16 and a reduction of \$875,300 in 2016-17 to adjust OCI's federal funds appropriation to reflect the spend-down of a federal grant for health insurance rate review functions. OCI received a federal rate review grant of \$3,958,800 in 2011 to establish systems and improve rate review functions. OCI expects that \$244,600 of that grant will be unexpended at the end of the 2013-15 biennium and be expended in 2015-16.